Wholesale price index and rate of inflation

413. MISS SAROJ KHAPARDE:
SHRIMATI KAMLA SINHA:
DR. RATNAKAR PANDEY:
SHRI V. NARAYANASAMY:
SHRI KRISHNA KUMAR BIRLA:

Will the Minister of FINANCE be pleased to state.

(a) what is the latest official wholesale price index (base 1981-82=100) and the rate of inflation;

(b) the extent of acceleration of the rate of Inflation since the presentation of the budget and the factors identified for the same; and

(c) the fresh steps Government propose to take to bring down the rate of inflation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) The latest official wholesale price index (base: 1981-82=100) for the week ending 9th November, 1991 is 210.1 and the annual rate of inflation, on a point to point basis, as on 9th November, 1991 is 13.5 per cent.

(b) The Wholesale Price Index has shown an increase of 3.7 per cent between 20th July, 1991 and 9th November, 1991 due to changes in administered prices and excise duties on certain items for fiscal adjustment, large liquidity overhang inherited from the past, inflationary expectations built into the system over the past years, and the uneven progress of the monsoon until late August, 1991.

(c) The steps taken by the Government to bring down the rate of inflation include a substantial reduction in fiscal deficit, check on expansion of money supply to curb effective demand, more effective management of supply and demand of essential sensitive commodities, streamlining of the Public Distribution System, providing incentives for higher production and savings, and strict action against hoarders and profiteers.

Bank employees representation against tax deduction at source

414. SHRI S. MADHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether the banks have represented their ability to mobilise additional deposits has been reduced due to introduction of tax deduction at source on interest on the fixed deposits;

(b) whether the bank employees are opposing this scheme which has imposed additional work on them; and

(c) if so, what are the steps taken to remove the difficulties created by this scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (c) In pursuance to the decision of Government regarding deduction of tax at source from interest on time deposits with banks, RBI has asked all commercial banks on 4th October, 91 to instruct their branches to ensure the above deduction. The payment of interest without deduction of tax at source is permissible in the case of person who furnishes the required declaration prescribed for the purpose. The Indian Banks Association submitted representations to Government expressing their apprehensions that the scheme may reduce inflow of deposits into banks and may create administrative problems too. The Government is keeping a close watch over